

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
FIRST-CLASS PACKAGE SERVICE CONTRACT 103
(MC2019-202)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2019-225

**USPS NOTICE OF AMENDMENT TO
FIRST-CLASS PACKAGE SERVICE CONTRACT 103, FILED UNDER SEAL**
(April 28, 2020)

The Postal Service hereby provides notice that the terms of First-Class Package Service Contract 103, in the above-captioned proceeding, have changed as contemplated by the contract's terms. A redacted version of the amendment to First-Class Package Service Contract 103 is provided in Attachment A, and the unredacted amendment is being filed under seal. The amendment will become effective one business day following the day that the Commission completes its review of this filing.

This amendment will not materially affect the cost coverage of First-Class Package Service Contract 103. Therefore, the supporting financial documentation and financial certification initially filed in this docket remain applicable. The Postal Service hereby incorporates by reference the Application for Non-Public Treatment originally filed in this docket, for the protection of the customer-identifying information that has been filed under seal.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

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April 28, 2020

ATTACHMENT A TO REQUEST

REDACTED AMENDMENT TO FIRST-CLASS PACKAGE SERVICE CONTRACT 103

AMENDMENT #1
OF
SHIPPING SERVICES CONTRACT
BETWEEN
THE UNITED STATES POSTAL SERVICE
AND
[REDACTED]
REGARDING
FIRST-CLASS PACKAGE SERVICE

WHEREAS, the United States Postal Service (the “Postal Service”) and [REDACTED] (“Customer”) entered into a Shipping Services Contract, FCPS, Contract 103/Docket No. CP2019-225 regarding First-Class Package Service on September 19, 2020.

WHEREAS, the Parties desire to amend the Contract to reflect the corporate name change of [REDACTED] to [REDACTED] and

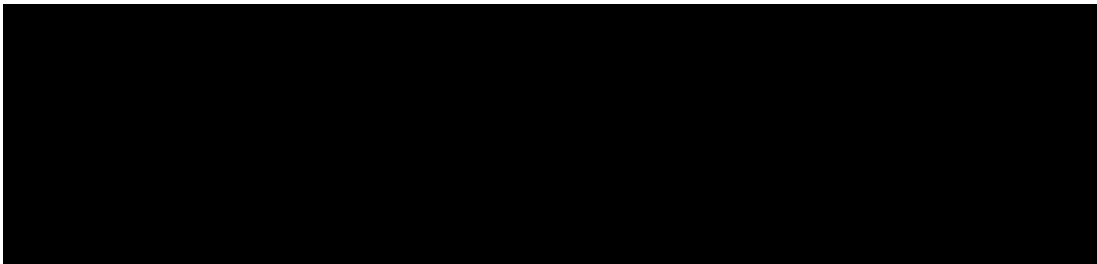
WHEREAS, the Parties desire to amend the terms in Sections I.B, I.F., I.G. and replace Table A and Table C as follows.

NOW, THEREFORE, the Parties agree that the contract is hereby amended as detailed above and below. The existing contract remains unchanged in all other respects. This amendment shall become effective one (1) business day following the day on which the Commission issues all necessary regulatory approval.

Replace Section I.B, I.F.2., I.G., replace Tables A and B and replace Section IV.

I. Terms

- B. This Contract applies to Customer’s inbound and outbound First-Class Package Service – Commercial packages, that do not exceed [REDACTED], excluding packages originating from [REDACTED], excluding packages originating from and/or addressed to ZIP Codes contained in Table A below (“Contract Packages”).excluding packages originating from and/or addressed to ZIP Codes contained in Table A.1 below (collectively “Contract Packages”), as follows:



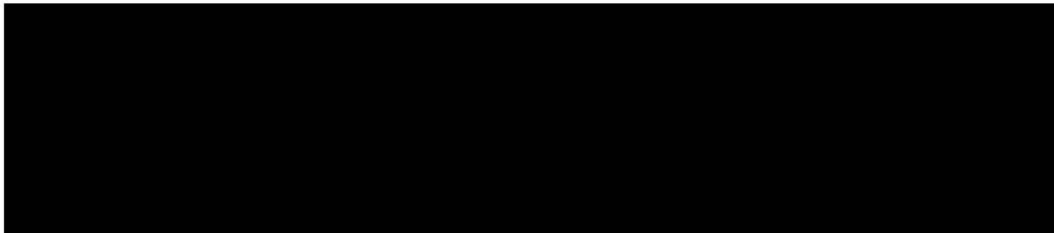
F. The terms and prices contained herein will take effect on the effective date as Defined in Section II. The Contract Quarters are defined as:

1. Contract Quarters. "Quarter(s)" or "Contract Quarter(s)", refer to the periods as follow in Table 2.A.

Table 2.A

Period Name	Start of Period	End of Period
Quarter 1	July 1 st	September 30 th
Quarter 2	January 1 st	March 31 st
Quarter 3	April 1 st	June 30 th
Quarter 4	October 1 st	December 31 st

2. Tier threshold. As outlined in Table B below and excluding the Implementation Period as described in Section I.G., the following quarterly average volumes must be met in order to achieve the applicable Contract Package prices in Section I.I.



G. Contract Prices. With the effective date of this Amendment, Customer shall receive Tier 2 Pricing until July 1, 2020. Subsequent tier pricing will be based on Customer's minimum quarterly average of Contract Packages shipped during the term of this Contract, as follows:

1. Beginning July 1, 2020, tier pricing will be determined by the minimum quarterly average of Contract Packages shipped during the term of this Contract. If the quarterly average of Contract Packages shipped falls below the minimum volume set for Tier 1 pricing, the Postal Service at its sole discretion has the right to revert Customer to the most current First-Class Package Service-Commercial prices for the subsequent Contract Quarter.
2. Customized prices for this Contract will be based on a rolling four (4) quarter average. Following March 31, 2020, the average will be based on the number of Contract Packages shipped divided by the number of full Contract Quarters achieved. At the conclusion of the first four (4) full Contract Quarters, pricing for subsequent quarters will be calculated by the number of Contract Packages shipped in the previous four (4) Contract Quarters divided by four (4). For example, the quarterly average of Contract Packages shipped for the period January 1, 2020 through March 31, 2020, will determine the tier pricing as of April 1, 2020. At the conclusion of each quarter, the Postal Service will calculate the number of Contract Packages and the number of applicable quarters to calculate and apply the appropriate rate table within fifteen (15) calendar days of the conclusion of that quarter.

Table C below illustrates the method in determining tier level and corresponding prices.

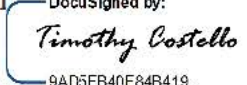
Contract Year (CY) 1	Tier Determination
Quarter 1	Tier 1 Pricing
Quarter 2	Tier 1 Pricing
Quarter 3	Tier 2 Pricing
Quarter 4	Contract Packages Shipped (CY1 Q's 2&3) ÷ 2
Contract Year (CY) 2	Tier Determination
Quarter 1	Contract Packages Shipped (CY1 Q's 2,3&4) ÷ 3
Quarter 2	Contract Packages Shipped (CY1 Q's 2,3&4 + CY2 Q1) ÷ 4
Quarter 3	Contract Packages Shipped (CY1 Q's 3&4 + CY2 Q's 1&2) ÷ 4
Quarter 4	Contract Packages Shipped (CY1 Q4 + CY2 Q's 1,2&3) ÷ 4
Contract Year (CY) 3	Tier Determination
Quarter 1	Contract Packages Shipped (CY2 Q's 1,2,3&4) ÷ 4
Quarter 2	Contract Packages Shipped (CY2 Q's 2,3&4 + CY3 Q1) ÷ 4
Quarter 3	Contract Packages Shipped (CY2 Q's 3&4 + CY3 Q's 1&2) ÷ 4
Quarter 4	Contract Packages Shipped (CY2 Q4 + CY3 Q's 1,2&3) ÷ 4

IV. Appeals

Customer may appeal a Postal Service decision regarding the calculation of prices, the amount of postage paid, or other implementation or operational issues under this Contract by submitting a written appeal via email, along with any and all supporting documentation, within thirty (30) calendar days of receipt of notification of the determination giving rise to the appeal to: [REDACTED]. The appeal is forwarded to the Pricing and Classification Service Center (PCSC). The PCSC manager issues the final agency decision. Any decision that is not appealed as prescribed becomes the final agency decision.

IN WITNESS WHEREOF, the Parties hereto have caused this amendment to be duly executed as of the later date below:

UNITED STATES POSTAL SERVICE

Signed by:  9AD5FB40E84B419...

Printed Name: Timothy R. Costello

Title: Vice President Sales

Date: 4/22/2020

